

professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT EIGHTEEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 25th day of March, 1988, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in New Song Communications to Otho Dodd, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Otho Dodd, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Otho Dodd. The statements that were false and misleading were, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT NINETEEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to William H. Dove, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that if they obtained a construction permit, it could be sold for a profit; and further, the defendant did directly and indirectly omit to state material facts which

caused said William H. Dove to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT TWENTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to William H. Dove, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon William H. Dove, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled William H. Dove. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that if they obtained a construction permit, it could be sold for a profit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT TWENTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 24th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to

wit: a partnership interest in WLGP Radio Partnership to J.D. Drullinger, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said J.D. Drullinger to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT TWENTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 24th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to J.D. Drullinger, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon J.D. Drullinger, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled J.D. Drullinger. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the

salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

COUNT TWENTY-THREE

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 6th day of February, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Brunswick Radio Associates to Charles Gilley, did directly and indirectly make an untrue statement of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said Charles Gilley to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

COUNT TWENTY-FOUR

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 6th day of February, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Brunswick Radio Associates to Charles Gilley, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Charles Gilley, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Charles Gilley. The statement that was false and misleading was, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and

further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT TWENTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of June, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Upstate FM Partnership to Ed T. Griffin, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said Ed T. Griffin to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT TWENTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of June, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Upstate FM Partnership to Ed T. Griffin, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Ed T. Griffin, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Ed T. Griffin. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal,

professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT TWENTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 16th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to George W. Griffin, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said George W. Griffin to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT TWENTY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 16th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to George W. Griffin, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon George W. Griffin, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled George W. Griffin. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making

applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT TWENTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 10th day of December, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Vezina Broadcasting Group to W. Mac Hines, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that he would receive a very large return on his investment; and further, the defendant did directly and indirectly omit to state material facts which caused said W. Mac Hines to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT THIRTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 10th day of December, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Vezina Broadcasting Group to W. Mac Hines, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon W. Mac Hines, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to

the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled W. Mac Hines. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that he would receive a very large return on his investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT THIRTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 16th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to Billy J. Hassell, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that there was very little risk in this investment; and further, that they had a ninety percent chance of obtaining this construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said Billy J. Hassell to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT THIRTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 16th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to Billy J. Hassell, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Billy J. Hassell, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Billy J. Hassell. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that there was very little risk in this investment; and further, that they had a ninety percent chance of obtaining this construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT THIRTY-THREE /

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 16th day of March, 1988, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Barco FM Partnership to John H. High, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said John H. High to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed

to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT THIRTY-FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 16th day of March, 1988, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Barco FM Partnership to John H. High, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon John H. High, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled John H. High. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT THIRTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of September, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Kansas Broadcast Associates to Eva M. King, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Eva M. King to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the

true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT THIRTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of September, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Kansas Broadcast Associates to Eva M. King, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Eva M. King, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Eva M. King. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT THIRTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of February, 1988, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in New Song Communications to Clarence H. Powell, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this

investment, and further, the defendant did directly and indirectly omit to state material facts which caused said Clarence H. Powell to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT THIRTY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of February, 1988, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in New Song Communications to Clarence H. Powell, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Clarence H. Powell, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Clarence H. Powell. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT THIRTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 17th day of April, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Ocean Front Radio Partnership to Jacqueline K. Proctor,

did directly and indirectly make an untrue statement of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said Jacqueline K. Proctor to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FORTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 17th day of April, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Ocean Front Radio Partnership to Jacqueline K. Proctor, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Jacqueline K. Proctor, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Jacqueline K. Proctor. The statement that was false and misleading was, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT FORTY-ONE ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 30th day of December, 1986, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Honolulu FM Associates to S and F Enterprises, did directly and indirectly make an true statement of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said S and F Enterprises to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FORTY-TWO ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 30th day of December, 1986, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Honolulu FM Associates to S and F Enterprises, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon S and F Enterprises, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled S and F Enterprises. The statement that was false and misleading was, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not

disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT FORTY-THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 3rd day of April, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Holy Hands FM Partnership to Angelyn Stallings, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that if they obtained a construction permit, it could be sold for a profit; and further, the defendant did directly and indirectly omit to state material facts which caused said Angelyn Stallings to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FORTY-FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 3rd day of April, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Holy Hands FM Partnership to Angelyn Stallings, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Angelyn Stallings, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Angelyn Stallings. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that if they obtained a construction permit, it could be sold for a profit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of

Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT FORTY-FIVE ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 17th day of March, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Sedona FM Broadcast Partnership to Jimmy D. Stone, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Jimmy D. Stone to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FORTY-SIX ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 17th day of March, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Sedona FM Broadcast Partnership to Jimmy D. Stone, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Jimmy D. Stone, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Jimmy D. Stone. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true

record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT FORTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 12th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to Howard H. Strandberg, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was no way they could lose the investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Howard H. Strandberg to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FORTY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 12th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to Howard H. Strandberg, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Howard H. Strandberg, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Howard H. Strandberg. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further,

that there was no way they could lose the investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT FORTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 19th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to Don Tippet, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said Don Tippet to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FIFTY ✓ 90-C-121-9158

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 19th day of November, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in WLGP Radio Partnership to Don Tippet, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Don Tippet, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to

the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Don Tippet. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT FIFTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 10th day of June, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Upstate FM Partnership to TMH Enterprises, did directly and indirectly omit to state material facts which caused said TMH Enterprises to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FIFTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 10th day of June, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Upstate FM Partnership to TMH Enterprises, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon TMH Enterprises, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaas, Ralph M. Savage, Sonrise

Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that omitted material facts that misled TMH Enterprises. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY FIFTY-THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 5th day of October, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Crystal Lake FM Partnership to Ed W. Vann, did directly and indirectly omit to state material facts which caused said Ed W. Vann to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FIFTY-FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 5th day of October, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Crystal Lake FM Partnership to Ed W. Vann, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Ed W. Vann, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that omitted material facts that misled Ed W.

Vann. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT FIFTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 14th day of October, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Crystal Lake FM Partnership to Larry G. Vick, did directly and indirectly omit to state material facts which caused said Larry G. Vick to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FIFTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 14th day of October, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Crystal Lake FM Partnership to Larry G. Vick, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Larry G. Vick, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that omitted material facts that misled Larry G. Vick. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by

Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY FIFTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 30th day of December, 1986, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Honolulu FM Associates to Thomas Ward, did directly and indirectly make an untrue statement of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said Thomas Ward to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT FIFTY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 30th day of December, 1986, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Honolulu FM Associates to Thomas Ward, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Thomas Ward, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Thomas Ward. The statement that was false and misleading was, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit. The statements that omitted material

facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT FIFTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 9th day of November, 1986, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Holmes Beach FM Partnership to Hugh B. Bryan, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said Hugh B. Bryan to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT SIXTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 9th day of November, 1986, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Holmes Beach FM Partnership to Hugh B. Bryan, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Hugh B. Bryan, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false,

misleading and that omitted material facts that misled Hugh B. Bryan. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SIXTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 6th day of June, 1988, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Diaz Partnership to Theodore R. Ellis, did directly and indirectly omit to state material facts which caused said Theodore R. Ellis to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT SIXTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 6th day of June, 1988, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Diaz Partnership to Theodore R. Ellis, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Theodore R. Ellis, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaas, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to

the State on the date alleged above did offer and sell the security alleged described above through the use of statements that omitted material facts that misled Theodore R. Ellis. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SIXTY-THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 10th day of November, 1986, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Holmes Beach FM Partnership to Larry E. Etheridge, did directly and indirectly omit to state material facts which caused said Larry E. Etheridge to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT SIXTY-FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 10th day of November, 1986, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Holmes Beach FM Partnership to Larry E. Etheridge, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Larry E. Etheridge, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaas, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that omitted material facts that misled Larry E. Etheridge. The statements that omitted material facts were;